

State of Alaska FY2010 Governor's Operating Budget

Department of Revenue Natural Gas Commercialization Component Budget Summary

Component: Natural Gas Commercialization

Contribution to Department's Mission

To provide analytical support for the commercialization of North Slope natural gas.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$771,000

Personnel:

Full time	0
Part time	0
Total	0

Key Component Challenges

- Provide fiscal systems analysis in support of the Alaska Gasline Inducement Act (AGIA) and other efforts to commercialize natural gas resources.
- Provide stakeholders including the Administration, the State Legislature, Congress, potential customers and producers with information on how Alaska's fiscal systems support the economic viability of a natural gas pipeline from Alaska's North Slope to the lower 48 states.
- Provide analysis of the effects of in-state gas pipeline initiatives on the commercialization of North Slope natural gas.

Significant Changes in Results to be Delivered in FY2010

AGIA provides that the fiscal system in place at the first open season will be frozen for the first 10 years of gasline operations. With the awarding of a license under the AGIA process in 2009 it is expected that the open season will be in 2010. It is essential that a complete and timely analysis is done before that fiscal system is frozen in place.

Major Component Accomplishments in 2008

- Provided support for the natural gas team in its efforts to award a license under the AGIA process.

Statutory and Regulatory Authority

AS 43.90 et. seq. Alaska Gasline Inducement Act

Contact Information

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Natural Gas Commercialization Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	1,221.0	771.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	1,221.0	771.0
Funding Sources:			
1004 General Fund Receipts	0.0	1,221.0	771.0
Funding Totals	0.0	1,221.0	771.0

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	1,221.0	0.0	0.0	1,221.0
Adjustments which will continue current level of service:				
-Reverse FY09 Oil and Gas Development Transfer to Department of Revenue	-1,221.0	0.0	0.0	-1,221.0
Proposed budget increases:				
-Implement Oil and Gas Development	771.0	0.0	0.0	771.0
FY2010 Governor	771.0	0.0	0.0	771.0